

Amendment No. 1 to HB2185

Wirgau
Signature of Sponsor

AMEND Senate Bill No. 2200

House Bill No. 2185*

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-4-1401(3), is amended by deleting the subdivision and substituting instead the following:

(3) "Municipality" means an incorporated city or town, county, or county with a metropolitan form of government;

SECTION 2. Tennessee Code Annotated, Section 67-4-1401, is amended by adding the following new, appropriately designated subdivisions:

() "Tourism" means the business or industry of providing information, accommodations, transportation, entertainment, and other services to tourists;

() "Tourism development" means:

(A) The planning and conducting of programs of information and publicity designed to attract to a municipality tourists, visitors, and other interested persons from outside the area and to encourage and coordinate the efforts of other public and private organizations or groups of citizens to publicize the facilities and attractions of the area for the same purposes; and

(B) The acquisition, construction, financing, and retirement of debt in any tourism development zone, and remodeling of facilities used in the attraction and promotion of tourist, entertainment, and sporting events, and convention and event centers;

SECTION 3. Tennessee Code Annotated, Section 67-4-1402, is amended by deleting subsections (a) and (b) and substituting instead the following:

(a)

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(1) A municipality may levy, modify, or repeal a privilege tax upon the privilege of occupancy in a hotel by ordinance or resolution subject to the restrictions of this part.

(2) Notwithstanding any other law to the contrary and except as otherwise provided in subdivision (a)(3), the privilege tax levied by:

(A) A county must not exceed five percent (5%) of the consideration charged to a transient by the hotel operator; provided, that any such tax levied in excess of five percent (5%) on or before the effective date of this act remains in full force and effect and must not be raised in excess of such amount on or after the effective date of this act; and

(B) A municipality must not exceed five percent (5%) of the consideration charged to a transient by the hotel operator; provided, that any such tax levied in excess of five percent (5%) on or before the effective date of this act remains in full force and effect and must not be raised in excess of such amount on or after the effective date of this act.

(3) If privilege taxes levied in excess of five percent (5%) as described in subdivision (a)(2)(A) or (B) are reduced by ordinance or resolution in accordance with this section to five percent (5%) or less, then the county or municipality, as applicable, is subject to the five percent (5%) cap on privilege taxes in accordance with subdivision (a)(2).

(b) This section does not void or modify any private act, ordinance, or resolution levying or authorizing the levy of a tax upon the privilege of occupancy in a hotel on or before the effective date of this act; provided, that future taxes remain subject to the restrictions of this part.

SECTION 4. Tennessee Code Annotated, Section 67-4-1403, is amended by deleting the section and substituting instead the following:

Except as otherwise provided in SECTION 5, the proceeds received by a municipality from the tax must be designated and used for purposes authorized in the ordinance or resolution levying the tax.

SECTION 5. Tennessee Code Annotated, Title 67, Chapter 4, Part 14, is amended by adding the following new section:

Notwithstanding any private act or this part to the contrary, if a municipality is authorized by private act or under this part to levy by ordinance or resolution a tax upon the privilege of occupancy in a hotel, and the existing rate of such tax on the effective date of this act is less than the maximum amount that the municipality may levy under such private act or this part, the revenue from any increase in such tax by ordinance or resolution on and after the effective date of this act must be spent on the promotion of tourism or tourism development.

SECTION 6. Tennessee Code Annotated, Section 67-4-1425, is amended by deleting the section in its entirety.

SECTION 7. Tennessee Code Annotated, Title 67, Chapter 4, Part 14, is amended by adding the following new section:

Any privilege tax upon the privilege of occupancy in a hotel in effect, or any authorization to levy such privilege tax granted, under § 67-4-1425 as it existed before the effective date of this act remains in full force and effect on and after the effective date of this act, and any county or city with such privilege tax or authority may levy,

modify, or repeal a privilege tax in accordance with this part and subject to the restrictions of this part.

SECTION 8. This act shall take effect upon becoming a law, the public welfare requiring it.